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AUSTRALIAN STATISTICS ADVISORY COUNCIL

Annual Report
1990-91



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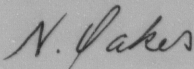
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The Honourable John Kerin, M.P.
Treasurer of the Commonwealth of Australia

I have pleasure in submitting the Report of the Australian Statistics Advisory Council for the year ended 30 June 1991.

The Report outlines the work undertaken by the Council and is submitted to you for presentation to Parliament under section 24(2) of the *Australian Bureau of Statistics Act 1975*.

A handwritten signature in dark ink, appearing to read 'N. Oakes', written in a cursive style.

N. OAKES
Chairman

1 August 1991

MEMBERSHIP OF COUNCIL, 30 JUNE 1991

		Date first appointed
Mr Norman Oakes, AO	Chairman	14.1.77
Mr Ian Castles, AO, OBE	Australian Statistician (ex officio)	
Mr Geoff Allen	Chairman, The Allen Consulting Group Pty Ltd	14.1.80(a)
Mrs Yvonne Bain, AM	Former President, National Council of Women of Queensland	14.1.80
Dr Lisa Brodribb, AM	Managing Director, M. Brodribb Pty Ltd	14.1.77
Ms Rebekah Burton	Assistant Director, Research and Policy Branch, Department of Treasury and Finance, Tasmania	1.5.91
Dr Neil Conn	Under Treasurer, The Treasury, Northern Territory	1.11.81(b)
Mr Ken Foreman, AM	Consulting Statistician	1.3.91
Mr John Fraser	Deputy Secretary (Economic), Department of the Treasury	1.6.90
Mr Ross Holt	Assistant Under Treasurer, Economic Policy and Services, Department of the Treasury, Western Australia	1.3.88
Dr Neil Johnston	Deputy Secretary, Department of Employment, Education and Training	17.3.89
Prof Peter Karmel, AC, CBE	Chairman, Australian Institute of Health	1.7.88

Mr Ian Macfarlane	Assistant Governor, Reserve Bank of Australia	1.9.88
Mr John Macleod	Group Economist, CRA Ltd	17.3.83
Dr Richard Madden	Under Treasurer, ACT Treasury	1.3.85
Dr Jacqueline Morgan	Executive Member, Privacy Committee of New South Wales	1.2.89
Dr Paul Moy	Assistant Secretary, New South Wales Treasury	16.7.90
Prof Max Neutze	Director, Institute of Advanced Studies, Australian National University	4.6.86
Mr Robert Schwarz	Assistant General Manager, Financial and Credit Policy, South Australian Government Financing Authority	1.9.88
Dr Alfred Smith	Director, Financial Policy Division, Department of the Premier and Cabinet, Victoria	17.3.86
Mr David Smith	Director, Statistical Services, Government Statistician's Office, Queensland	1.6.89
Mr David Stanton	First Assistant Secretary, Evaluation and Services Division, Department of Social Security	1.11.81(c)
Mr Michael Tooth, AM	Former President, NSW Farmers' Association	1.9.89

(a) Did not serve on Council between May 1983 and July 1990.

(b) Did not serve on Council between June 1983 and February 1987.

(c) Did not serve on Council between February 1988 and June 1990.

Changes in membership since 30 June 1990

July 1990	Mr G.D. Allen appointed. Dr P.J. Moy appointed to succeed Mr R. Scullion as the NSW Government representative.
October 1990	Prof. R.L. Tweedie retired from the Council at the conclusion of his term of appointment, having served on the Council since 1987.
February 1991	Mr G.D. Belchamber retired from the Council at the conclusion of his term of appointment having served on the Council since 1988.
March 1991	Mr E.K. Foreman appointed.
May 1991	Ms R.G. Burton appointed to succeed Mr D.W. Challen as the Tasmanian Government representative.

Council records with appreciation the contribution made by the retiring members to the work of the Council.

Note: In this Report, after the first reference, the Australian Statistics Advisory Council is referred to as ASAC or the Council, and the Australian Bureau of Statistics as the ABS or the Bureau.

Freedom of Information Act 1982

Under section 2 of the *Freedom of Information Act 1982* Commonwealth agencies are required to publish a statement about their organisation, functions, decision-making powers, consultative arrangements, categories of documents maintained, and facilities and procedures to enable members of the public to obtain access to documents under the Act.

The relevant statement for ASAC appears in Appendix 2 to this Report.

No requests for access to documents under the FOI Act were received by ASAC during the year.

INTRODUCTION

The Australian Statistics Advisory Council was established by the *Australian Bureau of Statistics Act 1975*.

This is the fifteenth Annual Report of the Council, and is made in accordance with section 24(2) of the Act which provides that: 'the Council shall, as soon as practicable after 30 June in each year, prepare and submit to the Minister, for presentation to the Parliament, a report relating to matters connected with the operation of this Act'.

Under section 18(1) of the *Australian Bureau of Statistics Act 1975* the Council is to advise the Minister and the Australian Statistician on:

- (a) *the improvement, extension and co-ordination of statistical services provided for public purposes in Australia;*
- (b) *annual and longer term priorities and programs of work that should be adopted in relation to major aspects of the provision of those statistical services; and*
- (c) *any other matters relating generally to those statistical services.*

The Act enables the Minister or the Australian Statistician to seek the advice of the Council on these matters. The Council also offers advice on these matters to the Minister or the Australian Statistician when it considers it appropriate to do so.

The Act provides that the Council shall consist of a part-time Chairman, the Australian Statistician (ex officio), and between ten and twenty-two part-time members, including one nominee of each State Premier and the Chief Ministers of the two Territories. The Chairman and members are appointed by the responsible Minister – currently the Treasurer – for periods of five years and up to three years respectively, and are eligible for reappointment.

The Chairman receives an annual fee, set by the Remuneration Tribunal, and members are reimbursed their travel costs, where applicable. Expenditure during 1990–91 was \$56014 plus an estimated amount of \$27000 on direct secretariat costs incurred by the ABS in servicing the Council. This support mainly involves organising and recording its meetings, administering its membership and preparing its annual report. In addition, ABS officers are involved in the preparation of many of the ASAC agenda papers.

The secretary of the Council is the Assistant Statistician, Resource Effectiveness and Coordination Branch, whose address is PO Box 10, Belconnen, ACT 2616 – telephone (06)252 5256.

SUMMARY OF THE YEAR'S ACTIVITIES

This year was notable for the large amount of time spent by Council in considering broad questions affecting all areas of the Bureau's operations, rather than individual statistical subject areas. These questions included appropriate ABS strategies and policies in a user-pays environment, how to reduce respondent load without sacrificing the quality of statistical output and how to develop systematic review processes to ensure that ABS statistical products and services remain relevant in a continually changing environment. These questions raise a host of complex associated issues and there are no easy answers. The fact that the ABS has risen to the challenge and is seriously attempting to find appropriate solutions, at a time of continuing severe resource constraints, provides a healthy indication of its sensitivity, not only to the pressures faced by those who supply the Bureau with information about their activities but also to the requirements of those who use the statistical output. Council takes great heart from this responsive attitude and is confident that the ABS will continue to provide a high quality and well-balanced statistical service that is in tune with the needs of the community.

ABS forward work program 1991-92 to 1993-1994

Council dedicated a significant amount of time at the November 1990 meeting to analysing the ABS forward work program for 1991-92 to 1993-1994. Council was advised that, despite the continuing need for budgetary restraint, the prospects of achieving a well-balanced and properly resourced work program during the next three years were reasonably good. The main reasons for this were the savings flowing from recent measures to increase productivity, and the funds now becoming available as a result of successes achieved in revenue generating activities.

Council has encouraged the ABS to capitalise on the productivity gains achieved by concentrating on the consolidation of existing collections, and improving the quality and timeliness of their output.

Council has discussed unmet demand for statistical services, and has noted that an important aspect concerns the frequency and sample size of existing collections, not just new topics. Particular areas identified as in need of attention include foreign investment and environment statistics. Council is pleased that significant measures are being taken to improve the quality of foreign investment statistics. With respect to environment statistics, the ABS has established an Environment and Natural Resource Statistics Unit in response to the growing need by Commonwealth and State governments and other interested bodies to formulate coherent policies on the environment, natural resources and sustainable development. Council understands that the initial objectives of this unit will be to assess more precisely what environmental statistics are required and how meaningful measurements can be made.

In response to criticism about the output from the Flow of Funds project the ABS has advised Council of problem areas identified in the course of collecting the data. Some of these problems have required considerable investigation in an attempt to resolve them. While this work has done little to assist the flows data it has resulted in considerable beneficial spin-offs for Balance of Payments and foreign investment statistics. Council recognises the value of such benefits and considers that it is worth persisting with the project for a limited period.

Council welcomes the introduction of the monthly "Australian Economic Indicators" and is pleased to note that this high quality publication has been very well received by the media and in the market place.

In view of the prices now being charged for statistical services, Council has strongly encouraged the ABS to rectify current problems concerning the quality and timeliness of delivery of some ABS products, in particular the AUSSTATS on line data service. Significant delays had been experienced in the postal delivery of statistical bulletins. The ABS is very concerned about these problems and has implemented measures to improve service delivery. Council understands that the Bureau is replacing AUSSTATS with a user-friendly system of much higher quality.

The continuing work on electronic dissemination of information has been strongly supported by the Council. This will become an increasingly important aspect of the Bureau's activities.

Council has closely monitored the continuing improvements being made to the ABS register of businesses and is pleased that the efforts recently made by the ABS to ensure that the details recorded remain accurate and up to date, particularly for large businesses, are showing prospects of a higher quality and more effective register. Council recognises that the current unstable nature of some of the largest corporate units will require them to be closely monitored.

Council has endorsed the ABS forward work program for 1991-92 to 1993-94 and is confident that the ABS is meeting the challenge of providing a reliable, user-responsive statistical service in an environment in which the demand for statistics continues to increase and diversify.

Evaluation of ABS programs

Although the ABS in recent years has undertaken a significant amount of program review activity in addition to its annual review of the forward work program, Council considers that there needs to be a more regular and systematic approach to such reviews, with particular emphasis on assessing the appropriateness, effectiveness and efficiency of ABS programs. This view coincides with the

Government's Public Sector Reform initiative which requires all Commonwealth agencies to develop formal Evaluation Plans, to pursue them as an integral part of management and to report on evaluation findings.

Council welcomes the ABS's intention to incorporate this evaluation activity into its existing forward planning, budgeting and performance monitoring cycle, and to ensure that it flows through to improvements in the delivery of products and services to ABS clients.

Important issues to be addressed when developing a consistent approach to such systematic review activity include the difficult task of establishing effective measures to properly assess user requirements, and the need to ensure that the ABS work program is not jeopardised by the diversion of skilled staff from their normal duties to undertake evaluation work.

Council has expressed some reservations about the use of outside experts to lead evaluation teams; they frequently have no long term commitment to the future successful operation of the client organisation and their services are usually costly. On the other hand Council recognises that consultants can be useful in filling gaps in internal competence and experience and, because of their independence, their recommendations are likely to be seen as objective and more readily acceptable to management and users. On balance, Council considers that limited use of expert consultants can be worthwhile if carefully managed.

The ABS is focusing on the important issues in the review activity it proposes. However, Council has advised the Bureau to take care to ensure that the evaluation process does not dominate its activities. Council has endorsed the following reviews proposed for inclusion in the interim Evaluation Plan for 1991-92:

- . Consumer Price Index
- . Methodology, content and frequency of the Census of Population and Housing
- . Quality of national and international accounts
- . User funded household surveys
- . Dissemination of statistics.

Review of social and labour statistics

Council devoted most of the time available at its July 1990 meeting to detailed consideration of a major ABS report which brought together the conclusions of nine separate reviews of different subject fields within the Social and Labour Division of the ABS. These fields were population, health, crime, housing, welfare, income and expenditure, culture-leisure, education and training, and criminal justice.

The objectives of the reviews were to define the Bureau's future directions in the nine subject areas addressed, taking into account information needs for special population groups, such as the elderly and aboriginals, and to clarify the role of the ABS, particularly in relation to the statistical work of other agencies. Each review had addressed five fundamental questions:

Who are the users and what are their requirements in this field of statistics?

What statistical output is currently available, both from ABS and from other agencies?

Which agency has responsibility for what statistics?

What is the unmet demand?

What is the feasibility and cost to ABS of satisfying the unmet demand lying within its area of responsibility?

In the course of obtaining responses to these questions, a number of general issues had arisen. There was wide recognition that in the social statistics area the ABS was already making a substantial contribution to informed public debate and to program evaluation, policy formulation and decision making at both State and Federal levels. However, while extensive use was made of the statistics currently available, it was clear that much available data was underutilised and that more effective marketing was required. Paucity of data was often not so much the problem as the lack of comparability and relatability between different statistical series. The ABS recognised that more effort was required to develop and promote standard classifications. This would be particularly important when developing greater connectivity of data between series concerning special population groups.

Another issue of general concern to users is the question of improved access to data, particularly that originating from other agencies. Some users had expressed concern that certain administrative-by-product data relevant to evaluation and scrutiny of established policy stances was being withheld by administering agencies. It had

been suggested that this practice would diminish if the independent role of the ABS was exerted more strongly. Some users thought that the ABS policy on administrative-by-product statistics needed to be revised, not only for this reason but also to clarify the Bureau's role in the maintenance of data quality.

On the question of what role the ABS should play generally for particular areas of statistics, many users had urged the Bureau to assume a leadership role wherever possible. The reviews had proposed a strengthening of its role in several important areas. However, there are a number of agencies with varying levels of responsibility for producing statistics and, for some areas, a supportive role in a collegiate environment was considered to be more appropriate for the ABS. A primary consideration when determining the most appropriate role for the ABS in a particular field of statistics was to ensure that it occupied a position where its comparative advantages could be put to maximum use.

During discussion of the broad issues raised by the reviews, some Council members expressed their disappointment that suppliers of data had not been included as part of the review process. It was pointed out that the prevailing economic climate had led to an increasing cost-consciousness and that the respondent load issue was becoming more important. The ABS has advised Council that many of the responses to the reviews had made this point. Council has been reminded that many social statistics are provided without any additional respondent load being imposed by the ABS because they are derived from the existing administrative systems of other agencies.

While appreciating that the stated aim of the reviews was to consider national and State level statistics, some Council members felt that they should also have addressed the requirement for regional and local data. It was pointed out that the national statistical system should serve the needs of State governments and that many State government agencies had legitimate needs for data at the regional and sub-regional level. Council is pleased that the ABS has acknowledged the benefit of also undertaking an examination of demand for data at the sub-regional level.

In considering what constitutes an appropriate mix of social statistics and whether the level of overall resources allocated to them needs to be changed, Council has raised the question of what mechanisms should be used to reallocate existing resources to achieve the right balance. In assessing priorities, it would be inappropriate to confine any examination to activities undertaken by the ABS. A much broader view is required which takes into account the statistical activities and responsibilities of other agencies and the quality of their products.

Council believes that the existing balance of resource allocation within the ABS reflects the history of statistical collections where the provision of a wide range of economic and labour market data has constituted a large part of ABS activity for many years. Much of the demand for new social statistics has emerged relatively

recently, at a time of continuing resource constraints for the ABS. The easiest way of satisfying it has been to enter into some sort of user funded arrangement. This solution is considered inappropriate by some members who are concerned that many existing collections are too firmly entrenched in the ABS work program and that they should be subjected to the same justification process as that imposed on new collections.

While Council recognises that the role of the ABS for particular subject areas should vary depending on the roles played, sometimes with statutory backing, by other agencies, some members have suggested the Bureau should be more assertive in assuming a statistical leadership role. They argue that the development and maintenance of statistical methodologies and standards is an important element of this role, especially where the ABS is not directly involved in the collection of data. However, the ABS needs to offer more than a general guidance and steering facility before it can be regarded as a true leader. Importantly, it needs to ensure that it keeps abreast of developments in subject areas where it is not itself directly involved. Council has noted a number of areas where the ABS is attempting to play a more active role, the new crime statistics unit being a good example. However, for such subject areas, which are serviced mainly by administrative-by-product statistics derived from a variety of different sources, active cooperation and commitment from all the agencies involved is necessary before the ABS can play an effective leadership role. This has occurred in the case of crime statistics, but only after a number of false starts.

Following more detailed examination of some of the individual reviews, Council has expressed a clear preference for income data to be collected more frequently than expenditure data. It has also suggested that the ABS should devote more attention to education and training statistics, with comparability of data, adequacy of TAFE statistics and timeliness of output being identified as particular problem areas. Council welcomes the prospect of greater ABS involvement in culture-leisure statistics with its proposal to establish a culture-leisure unit which would be partly user funded.

Council is pleased that the ABS has been able to incorporate many of the review recommendations into its next forward work program and that where changes to the existing program are proposed, users will be consulted as a matter of course.

Improving the statistical base in health and welfare

In September 1990, Council received an urgent request from the Minister seeking advice on proposals for enhancing the collection and dissemination of key health and welfare statistics. Council was in a good position to give such advice because it had recently considered the Bureau's report on its comprehensive reviews of social and labour statistics.

Council examined various options, including the establishment of an Australian Institute of Welfare, the expansion of the role of the Australian Institute of Health (AIH) and the strengthening of the role of the ABS to take on the additional work. In its advice to the Minister, Council offered comments on each of these options and concluded that the most organisationally sound and cost effective way of improving the statistical base in health and welfare was to strengthen the role of the ABS. Council takes pride in the fact that, despite a widespread geographical dispersion of members, an agreed response was delivered within four working days of the request being received.

Shortly afterwards the Government presented to Commonwealth and State health and welfare officials and Ministers its proposal which included both the expansion of the role of the AIH to take on the collation, compilation and dissemination of relevant administrative statistics, and the strengthening of the ABS to provide a national focus for "well-being" statistics. Under the proposal, the ABS would continue to retain its responsibility for national statistical standards for health, welfare, community services and housing. The AIH would concentrate on obtaining administrative data on welfare services, with particular emphasis on the aged, the disabled, child care and housing, areas where Commonwealth/State cooperation was especially important. Additional resources would be required by both bodies if the proposal were to be fully implemented.

Business respondent load

Council has always maintained a close interest in the load ABS places on respondents to its collections and the measures taken to keep it at an acceptable level. This aspect was again discussed extensively at the March meeting.

A Respondent View Committee has been established by the ABS to look at the impact of ABS collections on respondents from their viewpoint. Major concerns of this Committee include identifying measures to reduce respondent load and devising ways of improving relations with respondents.

Estimates based on previous studies indicate that ABS requirements of business amount to about one per cent of all government paperwork. For small businesses the statistical load (including non-ABS collections) is less than three per cent of the total government paperwork load. However, this load is not evenly spread but varies depending on the size and industry class of individual businesses and on the extent of sampling used in particular collections.

Three major collections contribute about 40% of the estimated total ABS load, largely because, in order to fulfil users' requirements, they all seek detailed information on a regular basis and have a large number of respondents. A significant reduction in total ABS load in recent years has been achieved mainly through a large reduction in the content of one of these collections, the Manufacturing Census, for two in every three years. Other reductions have also occurred through form design improvements, closer alignment of statistical units with actual business operating units and special assistance offered by the ABS.

A major issue facing the ABS is what it can do to reduce the load imposed on individual businesses. Many of the perceived load problems of large businesses, which are usually selected in several different collections, tend to be associated with the apparent lack of coordination in collection activity between different collections. The ABS has responded by better coordinating its requests for information, frequently through its recently established Large Business Units, and by rationalising collections to minimise duplication. It is also encouraging large business respondents to provide data by electronic means. For smaller businesses, special measures have been introduced to reduce the likelihood of being selected in more than one survey simultaneously, to limit the period for which they are selected in individual surveys and to make the reporting task easier through the introduction of telephone interviewing techniques in some collections. In addition, the ABS is seeking to make greater use of taxation data and, through its statistical coordination role, to avoid duplication of collection activity by other government agencies. Council hopes that, as taxation and statistical data items have become more closely aligned in recent years, there will soon be opportunities for using business taxation data to complement or perhaps substitute data collected by the ABS. The ABS would need to continue to rely on its own collections for current economic indicator data; the taxation data would be used mainly for benchmarks, calibration purposes and for published series where timeliness is not critical. Strict confidentiality would be maintained.

Some Council members have suggested that ABS respondent load is a dead issue for small businesses, arguing that for most of them the load is minimal, with fewer data items being sought and better designed forms and that, with the increasing use of computers, they can access their own records more easily. Other members have pointed out that for some businesses the completion of statistical forms is a large and expensive task which is especially burdensome during periods when they are under intense pressures to reduce costs. In their view the respondent load issue is likely to remain sensitive.

Council has suggested that the task of supplying information to the ABS would be more palatable to businesses if statistical data requirements were more closely aligned with the standard reporting arrangements of companies. Closer collaboration by the ABS with major accountancy firms would help to achieve this. Council has also suggested that more attention should be given to educating businesses on the value of statistics as management tools. If businesses received feedback on the relationship of their own data with the aggregated statistics for (say) their industry, they would see one of the direct benefits of their input and would be more willing to supply data to the ABS. Council understands that this approach has already been used in some collections and that it has been well-received. In addition free copies of publications resulting from particular collections are being made available to respondents on request.

Council is confident that the ABS fully recognises its responsibility to minimise respondent load and welcomes the efforts the ABS is making to do so. Although there seems little scope for achieving further major reductions, Council believes that the ABS should continue to take steps to ease the burden wherever practicable, while ensuring that any load reduction measures do not adversely affect the range and quality of ABS statistical output.

Charging for statistical services and funding of collections by users

During the year Council examined the continuing development of the ABS's policy in relation to charging users for statistical services. Council's deliberations included examining the criteria and strategies being used to seek user funding for statistical collections.

Included in the material submitted to assist Council in its consideration of this topic was a useful paper prepared for the July meeting by Mr David Smith, the Queensland representative. This paper outlined various facets of the impact of the ABS charging policy and related issues on users in his State. Council found that all the material supplied to it raised a number of issues in what is a very complex matter. It has requested another discussion paper to cover the issues to be addressed when deciding whether user funding should be sought.

An issue of particular interest to Council is the effect of the user-pays philosophy on accessibility of data. Other matters considered by Council during the year included the need for firm criteria for determining "user pays" policies, the scope for running user funded collections which would not normally constitute part of the national statistical service and whether the ABS should conduct user-funded collections outside the Census and Statistics Act.

Some Council members have expressed concern at the prospect of the ABS discontinuing publications which attract very low sales, pointing out that this would result in a break in the continuity of statistical series in the public domain because the relevant information would no longer be available from libraries. Concern has also been expressed that too great an emphasis on revenue generation might tempt the ABS to reduce the amount of information in its "public good" publications in order to shift demand to more profitable services. Council has accepted the ABS assurance that "public good" considerations as well as the level of sales are taken into account when deciding whether to continue particular publications, even when the cost of producing them is very high. In addition, the ABS has undertaken to continue to make basic statistics available in publications and to continue to supply standard publications free of charge to public libraries.

A diversity of views has emerged during Council's consideration of the "public good" and its importance in determining statistical priorities. One member has advanced the view that for practical purposes it appears that the full range of ABS existing activities services the "public good" while those projects the ABS is unable to do without user funding do not. He maintains that this is an untenable proposition; user charging should not be used as a device to avoid a proper assessment of priorities. The ABS has responded by acknowledging the difficulties involved in discontinuing firmly entrenched collections to make way for new ones. Prima facie, it is reasonable to expect a single major user to fund a collection if there is little interest in it elsewhere, but it would be misleading to reach such a conclusion by examining particular collections in isolation; there are often "spin-off" effects into other areas which should be taken into account.

It has been suggested that a significant demand could emerge from suppliers of data for some sort of recompense for their efforts. Any hostility aroused by having to pay for ABS products would be likely to increase if they discovered that they were charged the same price as those not contributing data to the relevant collection. The view has also been expressed that organisations contributing funds to particular collections should have rights of ownership of the resulting data, which would enable them to access unit records and manipulate them to suit their own special requirements. Council welcomes the ABS's firm assurance that, as collections would be conducted under the Census and Statistics Act, it would retain ownership of the data and that identifiable unit record data would not be made available to the sponsoring agency under any circumstances.

Although the ABS could conduct collections outside the Census and Statistics Act, it has indicated to Council that it would be extremely cautious about entering into such arrangements as it would cause confusion to respondents and produce lower quality output. Council endorses this cautious approach of the ABS. The reputation of the Bureau depends on the trust and cooperation of its respondents and it must not risk being associated with any collection which could raise the slightest doubt over the purposes of the data or over measures to protect the confidentiality of individual

records. Council is also very mindful of the need for the Bureau to retain its public image as an independent organisation which operates with professionalism and integrity.

Some Council members have expressed concern over the potential for user funding arrangements to occupy a disproportionate share of the workload of senior ABS officers and to distort priorities. Another concern is that the new environment encourages more agencies to conduct their own collections, a development which has the potential to exacerbate the problems already experienced concerning the comparability and reliability of statistical series. Even where user funding arrangements are entered into, users can be expected to be more assertive when stating their requirements. Council considers that the ABS should take care to ensure that this does not lead to an erosion of its statistical leadership role.

In relation to its statistical consultancy service the ABS, in response to the warning that it could be accused of having an unfair advantage over private sector consultants because it could compete without having to allocate overheads, has advised that it does not compete on price but charges market rates plus a premium for superior service.

In deciding whether user funding should be sought for collection activity, Council considers that an appropriate assessment of priorities should be the main consideration irrespective of whether the collection is new. Important factors to take into account when setting priorities should include not only the justification for existing demands but also realistic assessments of the potential benefits of particular collections and of the "spin-off" effects some collections might have for other series or groups of data. Council recognises that, in the practical operating environment, judgements on priorities need to be tempered by other considerations such as the relative marketability of individual series, and offers of partial funding from organisations interested in particular areas of statistics.

Council will continue to closely monitor developments in cost recovery and user funding in the years ahead.

1991 Population census

Council has always taken a keen interest in developments relating to the Population Census, the single most important collection conducted by the ABS. At each of its meetings during the year Council closely monitored different aspects of the preparations being undertaken for the 1991 Census, including the recruitment of 42 000 temporary staff and the development of a public awareness campaign to create a favourable climate for acceptance of the Census by the community at large.

For the first time, the ABS is managing the whole of the field operation without the assistance of the Australian Electoral Office. This involves organising the logistics for the distribution and collection of forms as well as the recruitment and training of about 42 000 temporary staff needed for this major task. There was a good response to advertisements seeking these temporary staff and some exceptionally high calibre people have been recruited to handle the field operations.

The success of the Census depends largely on the support it receives from the public. Council has stressed continually how important a role a carefully targeted public awareness campaign can play in creating a positive climate for the Census. It has therefore encouraged the ABS to establish and maintain good relations with key journalists and talk-back radio personalities, well before the start of the campaign, to inform them about the benefits of the Census and to secure their support in maintaining positive public attitudes. Council was heartened by the success of the advertising campaign to recruit temporary staff, where similar strategies were used to create a favourable initial climate for the Census. During the year, Council previewed a selection of prototype paid television commercials to be released shortly before the Census, and members' comments were taken into account during the fine-tuning process. Some reservations were expressed on the likely effectiveness of the planned "pin board" advertisements.

Field operational procedures and data processing aspects of the Census were tested during a major dress rehearsal held in Melbourne last year. The field operations worked well but problems were experienced during the processing phase, mainly because the optical mark recognition (OMR) machines failed to perform to expectations. The use of OMR forms is expected to make it easier for respondents as well as reducing the amount of keying-in and producing better quality data. However, as this new technology has never before been used in an Australian Census, teething problems were only to be expected during testing of the processing system. Council has expressed its concern that processing of the Census could be slower and more costly than anticipated unless these problems are overcome, but is confident that the ABS has taken every possible step to rectify the situation.

Consultations with users on the output from the Census were held during the year, with major seminars involving about 600 people being held in each capital city. The approach adopted by the ABS during these consultations was to put forward its broad plans for 1991 Census products and services and to invite users' comments. Council welcomes the measures being taken by the ABS to tailor the output of the Census to meet the needs of users. Experience gained from the 1986 Census has indicated a need for the ABS to provide a much more responsive service for special requests and Council is pleased that this is being carefully addressed. Although less emphasis will be placed on standard products, a number of different strategies are being developed to ensure that a range of relevant and well presented products will be readily accessible to users of Census data.

During the coming year Council will continue to monitor the progress of the 1991 Census as the major task of processing it is undertaken at the special Data Processing Centre established in Sydney.

Frequency and size of the labour force survey

In the context of exploring options for achieving resource savings in the ABS Forward Work Program, Council has looked at the size and frequency of the monthly labour force survey on a number of occasions.

At its November meeting Council considered the implications of conducting the survey on a quarterly basis and of reducing its sample size. Council was warned that reverting to a quarterly collection of this important series, particularly when the economy was in a state of transition, could seriously damage users' perceptions of the capacity of the ABS to produce timely output relevant to the current economic environment.

Council accepts that the monthly labour force series is a key economic indicator and that major users of the data strongly support the retention of the survey in its current form. Council agrees that the present frequency and sample size of the monthly labour force survey should be retained.

Study papers by council members

Mr David Smith, the Queensland representative, presented his paper "Charging of users for statistical products and services and funding of collections by users", to assist Council's consideration of this topic at its July meeting. Among the issues he raised were the effects of the new charging environment on accessibility of data and on public sector users, the impact of user funded collections on the ownership of data, and of ABS consultancy services on the competitiveness of private consultants. A detailed report of Council's consideration of these issues, together with other matters of relevance to the "user pays" debate, appears on pages 12 to 15 of this Report.

At Council's March meeting Mr Michael Tooth, AM, presented his paper, "Use of Agricultural Statistics". The paper emphasised the need for a detailed statistical data base for agriculture and the need to keep it up to date in order to adequately reflect the effects of the variability of seasonal and marketing conditions on the performance of the agricultural sector. The paper also pointed out that because the farming sector was a significant contributor to Australia's export income any fluctuations in agricultural returns had a major impact on the performance of the country's economy as a whole.

Discussion of the annual output threshold used to determine the eligibility of agricultural businesses for inclusion in the agricultural census drew differing views from members. On the one hand it was suggested that the current cut-off was too high and tended to understate the value of crops produced by horticulturists. On the other hand, there was a view that agricultural businesses earning less than \$20,000 annually were unlikely to be commercial undertakings and should properly remain out of scope of the census.

Other matters referred to during discussion of the paper were the level of ABS resources allocated to the agriculture program in recent years and the amount of small area agricultural data released by the ABS.

General

Council wishes to record its appreciation for the assistance received from the Statistician and his officers in the presentation and comprehensiveness of information provided on the matters considered by Council and the courtesy and efficiency with which secretariat and other services have been made available.

APPENDIX 1

MEETINGS OF COUNCIL 1990-91

11 July 1990

14-15 November 1990

13 March 1991

ATTENDANCE AT MEETINGS

		Meetings attended
Chairman	Mr Norman Oakes, AO	3
Australian Statistician	Mr Ian Castles, AO, OBE	3
State/Territory representatives		
New South Wales	Dr Paul Moy	2
Victoria	Dr Alfred Smith	2
	Mr Pat Webb (a)	1
Queensland	Mr David Smith	3
Western Australia	Mr Ross Holt	2
	Ms Anne Nolan (a)	1
South Australia	Mr Robert Schwarz	1
	Ms Anne Melrose (a)	1
	Mr Stuart Hocking (a)	1
Tasmania	Mr Don Challen	1
	Ms Rebekah Burton (a)	2
Northern Territory	Dr Neil Conn	1
	Mr Gary Henry (a)	1
Australian Capital Territory	Dr Richard Madden	1
	Mr Neil Morgan (a)	1

**Members from Commonwealth
departments/authorities**

Department of the Treasury	Mr John Fraser	2
	Mr David Borthwick (a)	1
Department of Employment Education and Training	Dr Neil Johnston	2
	Mr Colin Bannerman (a)	1
Department of Social Security	Mr David Stanton	2
	Mr Andrew Herscovitch (a)	1
Australian Institute of Health	Prof. Peter Karmel, AC, CBE	3
Reserve Bank of Australia	Mr Michael Blythe (a)	1
	Mr Brian Gray (a)	1
	Dr Stephen Grenville (a)	1

Other members

current	Mr Geoff Allen (b)	2
	Mrs Yvonne Bain, AM	3
	Dr Lisa Brodribb, AM	3
	Mr Ken Foreman, AM (b)	1
	Mr John Macleod	2
	Dr Jacqueline Morgan	3
	Prof Max Neutze	3
	Mr Michael Tooth, AM	3
retired during year	Mr Grant Belchamber	2

(a) proxy.

(b) member for part year only – see page vi for details on changes in membership since 30 June 1990.

APPENDIX 2

Freedom of Information Statement

Below is a statement, as required by section 8 of the *Freedom of Information Act 1982*, about the structure of the Australian Statistics Advisory Council (ASAC) and how members of the public can obtain access to information held by the Council.

Establishment, organisation and functions

See Introduction to this Report (page 1).

Powers

As an advisory body, ASAC has no decision-making or other powers directly affecting members of the public. It does not administer any enactments or schemes.

Arrangements for outside participation

ASAC members are appointed by the Minister responsible for the ABS so that a broad range of views and interests is reflected in the advice that ASAC offers to the Minister and the Statistician. Membership details are given on pages iv-vi.

Persons or bodies outside the Commonwealth administration may participate in the Council's policy formulation by making representations to the Minister or the Chairman on matters of concern to them.

Categories of documents

The ASAC annual report, which is tabled in Parliament, is available from all ABS offices. Files are maintained which contain documents relating to the administration of the Council, papers discussed at Council meetings, summary records of proceedings of meetings and correspondence relating to the activities of the Council.

FOI procedures and initial contact points

All inquiries concerning access to documents, including inquiries under the *Freedom of Information Act 1982*, may be directed on weekdays, between 8.30am and 4.30pm, to the Secretary, Australian Statistics Advisory Council c/- Australian Bureau of Statistics, Cameron Offices, Belconnen, ACT 2617 - telephone (06) 2525256.

